



Accounting, Disclosure, Corporate Governance: Financial Sector Accountability

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Illustrative Country Projects



- ❑ **Montenegro Economic Reform, USAID**
- ❑ **Kosovo Economic Framework (UNMIK), USAID**
- ❑ **Georgia / Latvia / Ukraine / Uganda Capital Markets, USAID**
- ❑ **Bosnia / Bulgaria Bank Supervision, USAID**
- ❑ **Macedonia Accounting and Tax Reform, USAID**

Central Financial Sector Issues - Challenges



- ❑ Legal Framework Exists Generally – Not Accountability
- ❑ No Corporate Governance Culture
- ❑ Local Custom & Practice is Reform Resistant
- ❑ Poor or Non-Existent Enforcement
- ❑ Absence of Demand-Driven Reform

Developmental Context



- ❑ **Corporate Governance Is a Western Concept**
- ❑ **Longer Term Development Horizon to Realize Benefits**
- ❑ **Standardized Diagnostic Approach**
- ❑ **Target Framework Gaps, Inefficiencies & Conflicts**
- ❑ **Support Key Stakeholders To Drive Demand For Change**
- ❑ **Targeted Capacity Building & Training**

- ❑ **Use “Bright-Line” Concepts, Approaches & Strategies**
- ❑ **Good Governance Starts At The Top**
- ❑ **Anti-Corruption Efforts Are Not Optional**
- ❑ **Perceptions Matter – Enforcement**
- ❑ **Effectively Empower & Educate Stakeholders**
- ❑ **Sustainable Reform – Buy-in & Capacity Building**

Lessons Learned - Accounting



- ❑ **Modern accounting standards with their requirements for financial disclosure and transparency underpin financial sector accountability**
- ❑ **National accounting standards – in compliance with ISFR – for both banks and enterprises**
- ❑ **Reform-minded professional association of accountants**
- ❑ **Revised professional training/certification programs for accounting profession**
- ❑ **Revised undergraduate and secondary accounting education programs**
- ❑ **Training programs for government, central bank, commercial bank, and enterprise personnel**

Impact – Future Suggestions



- ❑ **Inter-Disciplinary Program Design & Implementation**
- ❑ **Build on World Bank ROSC Diagnostic Approach**
- ❑ **Develop Best Practice Codes (Beyond OECD Principles)**
- ❑ **Legal / Regulatory / Judicial Reform Focus**
- ❑ **Training & Certification Programs**
- ❑ **Tax Reform / Simplification (Watch Russian Experience)**